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IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF UTAH, CENTRAL DIVISION

COMMODITY FUTURES TRADING
COMMISSION, and

STATE OF UTAH DIVISION OF
SECURITIES, through Attorney General Sean
D. Reyes,

Plaintiffs,

vs.

RUST RARE COIN INC., a Utah corporation,
and GAYLEN DEAN RUST, an individual,
DENISE GUNDERSON RUST, an individual,
JOSHUA DANIEL RUST, an individual,

Defendants,

and

ALEESHA RUST FRANKLIN, an individual,
R LEGACY RACING INC., a Utah
corporation, R LEGACY ENTERTAINMENT
LLC, a Utah limited liability company, and R
LEGACY INVESTMENTS LLC, a Utah
limited liability company,

Relief Defendants.

RECEIVER'S SECOND SPECIAL REPORT
ON STATUS OF LITIGATION

As of May 15, 2025

Civil No. 2:18-cv-00892-TC

Honorable Tena Campbell

Magistrate Judge Dustin Pead

Jonathan O. Hafen, the Court-Appointed Receiver for the assets of Rust Rare Coin Inc., Gaylen Dean Rust, Denise Gunderson Rust, Joshua Rust, Aleesha Rust Franklin, R Legacy Racing Inc., R Legacy Entertainment LLC, and R Legacy Investments LLC (collectively, "Receivership Defendants"), hereby submits this Special Report on Status of Litigation ("Report"), as of May 15, 2025 on the status of ancillary litigation as directed by the Court.¹

I. RESOLVED ANCILLARY PROCEEDINGS SINCE LAST REPORT

The Receiver was able to fully resolve the following ancillary proceedings since the last report:

- Hafen v. Taylor, et al.; Case No. 2:19-cv-896. The Court approved the settlement agreement in this case. The defendant paid the settlement amount to the Receiver. The case was dismissed on May 14, 2025.

II. ONGOING ANCILLARY PROCEEDINGS

The following thirteen ancillary proceedings are still outstanding:

- Hafen v. Howell; Case No. 2:19-cv-813.² The parties have engaged in settlement discussions following remand from the Tenth Circuit and dismissal of the bankruptcy filing. The parties filed a motion for a scheduling conference on May 15, 2025.

- Hafen v. Nichols, et al.; Case No. 2:19-cv-829. Fact discovery closed in this matter on May 8, 2025. Dispositive motions are due on August 14, 2025. The Receiver is discussing

¹ Although the Court asked for an update as to four specific cases, the Receiver provides a status update as to all outstanding litigation, so the Court is aware of all remaining case.

² This case, which was remanded from the 10th Circuit following an appeal, was inadvertently left off of the first litigation report.

settlement with the Nichols Trust. The Receiver will likely file summary judgment motions against the other defendants.

- Hafen v. Wade, et al.; Case No. 2:19-cv-916. Default judgment has been entered against the majority of the defendants in this matter. The only claims outstanding are the claims against the Estate of Mary Wade. The Receiver served the last personal representative, Sara Leonard, on March 20, 2025. Counsel for the Receiver discussed the litigation with two of the personal representatives and is trying to resolve the matter. Pursuant to the Court's order, the Receiver will seek a default judgment against the Estate by May 19, 2025 if he is unable to resolve the matter with the personal representatives.

- Hafen v. Andreini, et al.; Case No. 2:20-cv-374. The Receiver has agreed to a settlement with Terri Andreini, the sole outstanding defendant. The parties are working on finalizing the settlement agreement for that matter, which is dependent upon the sale of the Andreini residence. The Court has scheduled a status conference in this case for June 10, 2025. The parties are working towards resolving the case prior to that date.

- Hafen v. Guyon, et al.; Case No. 1:23-cv-74. Fact discovery is completed and the last day for expert discovery is May 30, 2025. Dispositive motions are due on June 14, 2025. The Receiver intends to file a motion for summary judgment.

- Hafen v. Nelson, Case No. 2:22-cv-501. This matter is stayed pursuant to the automatic stay in bankruptcy as Darren Nelson filed for chapter 7 bankruptcy on June 6, 2023, Case No. 23-22356. The Bankruptcy Trustee is pursuing an action for non-discharge. Currently, a status conference is set for May 27, 2025 on the Trustee's Motion to Turn Over Property. The Trustee is also seeking a Rule 2004 examination of Utah First Credit Union. If the Trustee prevails in

denying Mr. Nelson's bankruptcy discharge, the Receiver retains the possibility of pursuing this action to collect against Mr. Nelson.

- Hafen v. Oberhansly, Case No. 2:22-cv-807. Oberhansly, through counsel, filed a response to the Receiver's motion for summary judgment in which he did not dispute the judgment amount sought by the Receiver. The Receiver filed a reply memorandum in support of summary judgment on May 14, 2025.

- Hafen v. Tilley, Case No. 2:24-cv-529. Fact discovery is set to close in this matter on May 28, 2025. Tilley moved to extend fact discovery. The Receiver does not object to an extension, but thinks it should be limited to a 45-day extension instead of 90 days. The parties are currently discussing settlement with the hopes of resolving the matter prior to the close of fact discovery.

- Hafen v. Ault, et al., Case No. 2:24-cv-546. The parties have entered into a settlement agreement in this matter. Defendants made the first settlement payment. The final settlement payment is due on August 31, 2025. Once the final settlement payment has been made, the parties will dismiss this action.

- Hafen v. Wade, Case No. 2:24-cv-549. Defendants in this matter waived service but have not yet answered the Complaint. Counsel for the parties are discussing settlement. The Court has ordered a status report be filed in this matter by June 16, 2025.

- Hafen v. Lugli, Case No. 2:24-cv-550. Defendants in this matter waived service or have been served with process but have not yet answered the Complaint. Counsel for the parties are discussing settlement. The Court has ordered a status report be filed in this matter by June 16, 2025.

- Hafen v. AG Tsunami, et al, Case No. 2:24-cv-629. Claims remain against four defendants. Zachary Finley filed an answer on April 30, 2025. AG Tsunami, LLC, Silver Shoes, LLC, and Plethora, LLC filed an answer on May 1, 2025. The Receiver sent a proposed attorney planning meeting report to Defendants.

- Hafen v. Sargent, et al, Case No. 2:24-cv-642. The court entered a scheduling order in this case on April 25, 2025. Lucy Ann Chard, Michael G Chard, Michelle Chard, Nicolle Chard, and Thomas Chard filed their answer on May 14, 2025. The Receiver will seek the default of non-answering defendants by May 16, 2025.

The Receiver will continue to file monthly litigation status reports on the 15th of each month.

DATED this 15th day of May, 2025.

PARR BROWN GEE & LOVELESS

By: /s/ Jeffery A. Balls
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Jeffery A. Balls
Walter O. Peterson
Attorneys for Receiver Jonathan O. Hafen

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that service of the above RECEIVER'S SECOND SPECIAL REPORT ON STATUS OF LITIGATION was electronically filed with the Clerk of the Court through the CM/ECF system on May 15, 2025, which sent notice of the electronic filing to all counsel of record, as indicated below:

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